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News Release

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2 indicted for failing to pay employment taxes, conspiracy

A federal grand jury has returned an indictment against a 52-year-old Florida man and a 52-year-old Brooklyn Park woman for allegedly failing to pay \$539,261 in employment taxes to the Internal Revenue Service ("IRS"). In the indictment, which was filed with the U.S. District Court earlier today, Scott Edward Bunton, of Fort Myers Beach, Florida, and Debra Kaye Quigley, of Brooklyn Park, Minnesota, were charged with one count of conspiracy to defraud the United States and five counts of failure to account for and pay federal employment taxes.

The indictment alleges the two conspired to enrich themselves by diverting payroll taxes collected from employees of System Technologies Alternatives Resources, Inc. ("STAR"), a computer consulting and programming company in Roseville, Minnesota. Bunton was sole owner of the company and oversaw all business operations and computer programming. Quigley was STAR's chief financial officer, responsible for managing the business office, accounting, bookkeeping, and payroll.

Together, Bunton and Quigley had a duty to account for and pay to the IRS all federal employment taxes collected from the wages of STAR employees. From 2001 through 2004, however, Bunton and Quigley allegedly failed to do so, even though they withheld the taxes from employee wages and issued W-2 forms to employees, reflecting the withheld amounts.

Instead of turning over the withholdings to the IRS, the defendants allegedly diverted the funds to Wild Bore, Inc., and Behnke Bunthaker, LLC, two companies they jointly owned. The money allegedly was used to buy machinery and equipment. In all, the defendants withheld but failed to pay \$145,165 in federal employment taxes in 2001; \$171,982.17 in 2002, \$135,255.46 in 2003 and \$86,859.21 in 2004.

If convicted, the defendants face a potential maximum penalty of five years in prison on the

conspiracy charge and five years on each count of failure to pay taxes. All sentences are determined by a federal district court judge.

This case is the result of an investigation by the IRS-Criminal Investigation Division. It is being prosecuted by Assistant U.S. Attorney Ann M. Anaya.

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An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by a defendant. A defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.